



Berg Steel Pipe Corp.

a Company of the Europipe Group

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Public Document

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Re: Steel, Investigation No. TA-201-73; Exclusion Request

We are writing in response to the exclusion request for X-70 and higher plate for line pipe filed by Eurofer.

Berg Steel Pipe Corp., located in Panama City, Florida, is a producer of large diameter welded line pipe. Berg is one of the largest suppliers in North America serving the oil and gas industry. Recently, we supplied all of the large diameter pipe for the Gulfstream Pipeline Project currently under construction. Berg, unlike its three U.S. DSAW competitors (SAW Pipes, NAPA Pipe, and PST), does not produce plate - the major raw material used in the production of line pipe over 24" diameter.

Due to safety concerns, the specifications of the steel plate used for this pipe continue getting more stringent. Many specifications, such as arctic grade and heavy wall plate, used in critical applications cannot be purchased at all in the United States. A good example was the plate for the offshore portion of the Gulfstream Pipeline Project. Berg tried, unsuccessfully, to purchase plate for this project from U.S. producers, but could not because of technical reasons. If the U.S. producers meet the specifications, then quantity becomes an issue.

During Gulfstream, Berg produced 40,000 tons per month. Of the U.S. producers, Nucor is not yet qualified and is working with Berg to develop its capabilities.



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Page Two

However, it is expected to be limited, and Nucor expressed its concern over producing only a limited tonnage for Berg and not being able to meet our full requirements. IPSCO has not quoted X-70 and higher plate since 1999 and stated in the 201 hearing that they need several years to develop these grades commercially. IPSCO also operates large diameter spiral weld mills in Canada and competes with Berg Steel. U.S. Steel has limited its production to 1,200 tons per month. Bethlehem Steel has also limited its production of X grade line pipe plate to 5,000 tons per month. In addition, Bethlehem owns PST, a producer of large diameter line pipe. Oregon Steel, which imports slabs for line pipe plate for its NAPA Pipe mill, will not sell plate to Berg. Jindal Steel, owner of SAW Pipes, also purchases foreign slabs to supply its pipe mill needs.

Plate is a product which is already covered by over 20 anti-dumping orders and plate imports into the U.S. have declined during the past 5 years. X-70 or higher plate is only purchased by Berg Steel Pipe Corp. in the U.S. If Berg's ability to purchase raw materials is restricted in any way, it will hurt an efficient pipe mill and its 300 employees. Excluding X-70 and higher plate for line pipe will not hurt the U.S. steel industry. However, a tariff on X-70 and higher plate will hurt not only Berg Steel Pipe Corp., but also the pipeline companies and their ability to construct new pipelines to meet the energy demands of the future.

Accordingly, we ask that X-70 and higher plate for line pipe be excluded from any safeguard measures imposed by the President.

Sincerely,

Berg Steel Pipe Corp.

David Delie
Chief Operating Officer

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